

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
SANDY LIBRARY MEETING ROOM
10100 SOUTH PETUNIA WAY- 1450 EAST
SANDY, UTAH
JANUARY 25, 2011

In Attendance: Hutch Foster, Bob Burdette, Dan Heath, Suzanne Larson, Tom Deaver, Amy Jackson, Mike Gonzales, Bruce Hutchinson, Jeff Hubbard, Scot Erickson, Alan Powell.

Jody Robinson

Alan Powell was expected to arrive late.

Hutch Foster called the meeting to order at 6:38 p.m.

Mr. Foster welcomed the new Board members, Jeff Hubbard and Mike Gonzales. members.

Approval of Minutes

MOTION: Bob Burdette moved to APPROVE the *minutes of November 15, 2010. Amy Jackson seconded the motion.

VOTE: The motion passed unanimously.

Mr. Foster noted that the December 28th meeting was an executive session without a quorum. The Board was able to pay the bills with a proxy vote from Dan Heath.

MOTION: Amy Jackson moved to APPROVE the minutes of December 28, 2010. Bob Burdette seconded the motion.

Mr. Foster noted that the minutes reflected a question from Amy Jackson regarding dues and a response from Mr. Foster that the dues had not changed "four" years. He clarified that the dues have not changed for ten years and believed the "four" was intended to mean "for many years."

Mr. Foster called for a vote on the minutes as corrected. VOTE:

The motion passed unanimously with two abstentions.

Owner/Visitor Open Forum and other owner communications

Mr. Foster distributed copies of a letter from Debra Rakes, Lot PI-D-36 & 37, regarding

short-term rentals. Amy Jackson was the area representative commenting on behalf of Ms. Rakes. Ms. Jackson suggested that she hold her comments until later in the meeting, since the issue was scheduled to be discussed.

Environmental Control Commission Plan Review

Tom Deaver stated that an architect designed an addition to his home and the elevation surveys were completed. He asked if he needed to bring his plans to the Board before going to the County for a building permit. He pointed out that it was only an addition and he was not adding water. Mr. Foster replied that coming to the Board first was the preferred process for an addition.

Ranch Manager's Report

Equipment Status

Jody Robinson reported that the hydraulic pump on the grader went out and he was trying to repair it. The estimated cost was approximately \$4500. He had all the parts and was in the process of putting the grader back together.

Request to split dozer rental cost with Water Company

Jody reported that Tollgate Canyon was shut down due to a leak on Tollgate Canyon Road. He noted that a valve 30 feet from the pavement needed to be dug up and the Water Company planned to bring in a dozer to push back the snow to do the repair. While the dozer is on the Ranch, Jody would like the Water Company to push back the snow on certain places up the Canyon. The water leak occurred last Sunday but there were parts that needed to be ordered. Mr. Hutchinson asked if people on Tollgate were currently without water. Jody answered yes.

Jody noted that the dozer rental was \$135 per hour. Dan Heath reported that the Water Company had proposed to split the cost with the HOA and estimated that the Association's share would be \$1700 to \$2000.

Scot Erickson and Bruce Hutchinson commented on problems that occurred the last time a dozer was used to push the snow. Jody understood their concern, but felt that a dozer was necessary to keep the road from narrowing any further.

Jody stated that the dozer had ice cleats to get it up the road. To eliminate the damage to the new Tollgate Canyon road, the Water Company would like to sand and salt and

drive the transport with the dozer as far as Oil Well Road.

Jody stated that the water leak would be fixed on Monday, February 7th and the dozer would be brought in the week before. Mr. Hutchinson suggested that Mr. Foster post it on the website and create a sign with that information and post it at the bottom. Mr. Burdette wanted to know how many of the Ranch owners were on the email list. Mr. Foster thought they had the majority of email addresses. The Water Company also had an email notification list and he believed they would reach most of the owners with both emails. Jody stated that the Water Company intends to put signage above and below the area where they will be working so people would be warned.

Mr. Foster noted that he had already authorized the grader repair, but it could be included in the motion to authorize the dozer.

MOTION: Tom Deaver made a motion to APPROVE the budget of \$1700 to \$2000 that Jody Robinson needed for the dozer and the approximately \$4500 for the grader repairs. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Foster stated that if the Water Company did not bring in a dozer, he and Jody had talked about other options for snow storage. One option was the possibility of contracting one of the authorized plowers on the Ranch who had a large machine that could move the banks back with a blower. Two people he was thinking of were Eric Cylvick and Bill George. Mr. Foster stated that if Jody runs completely out of snow storage room, a plan to contract either of them as authorized plowers on an hourly basis would be worth having as an alternative to move back the snow banks.

Mr. Burdette agreed that it was better to use equipment already on the Ranch rather than pay extra to bring in equipment.

Dump Truck

Jody reported that the windshield on the dump truck needed to be fixed before the truck is licensed in the Spring. In addition, a cross link came off the chains and took out the ADS sensor wire on the right front wheel. He could do that repair in the shop.

Mr. Deaver stated that during the last storm the grader couldn't move and Eric Cylvick, Lot PI-E-51, went out and widened out that area. It took him many hours and Mr. Deaver asked if it was possible to give Mr. Cylvick a "thank you" from the Board. Mr.

Foster remarked that he had personally thanked him. Mr. Deaver suggested an official recognition in the minutes that acknowledged Mr. Cylvick 's voluntary effort. Mr. Foster recalled that the Owners Association supplied the fuel Mr. Cylvick used.

MOTION: Tom Deaver made a motion to thank Eric Cylvick for his voluntary help. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Water Board Update

Dan Heath had attended the Water Board meeting. He reported that a lot owner had requested a one-time reduction. The owner requested compensation for grading and other things related to the water loss. The excess water used was a result from snowmobilers who turned on his water and left it running. The Board authorized the one-time reduction for the owner. Mr. Heath pointed out that the Water Board is bound by the Rules and Regulations of the Bylaws and they follow a set formula that is used to calculate the amount of the reduction.

Mr. Heath reported that the Board approved \$28,500 for an engineering study. He noted that a test hole was done on Tollgate and they found a substantial flow of water. The Water Company made an agreement with the owner to drill on their land, and if they struck water they would provide a water line to their property in exchange for permission to develop the well.

Mr. Heath stated that the problem with a leak on Tollgate Canyon was created by a water manager over a decade ago who ran a 3/4" pipe around the old PRV and installed inadequate and incorrect parts. A 3/4" pipe serviced the fire hydrants and no one knew that until it was discovered when the area washed out and the pipe was exposed six inches under the ground. Brody and Trevor would replace the line and the valves when they repair the leak "...*when they are looking for a leak*".

Mr. Heath passed around a copy of a letter that would be sent to all the homeowners regarding the purchase and installation of digital meters. The \$375 per meter cost includes installation. The property owner would request and pay for the new meter, but it is optional. Mr. Heath pointed out that the meter monitors water use on an hourly basis. Mr. Foster stated that the main feature of the meter is that a leak can be detected because it sets off an alarm linked to the water company laptop.

Dan Heath noted that the Water Company had considered another well site on Aspen

Ridge Ranch. It is a deep well and the Water Company needed to know whether it can be developed.

Alan Powell joined the meeting.

Old Business

Short Term Rentals

Mr. Foster noted that the Board discussed direction for future enforcement of short term rentals prior to the annual meeting. They decided to hold further discussion until after the annual meeting to get an idea of how the owners felt about the subject. During the annual meeting, Mr. Foster had stated that the Board would continue their discussion at the January Board meeting and try to reach a conclusion on direction and enforcement. Mr. Foster stated that for the past year several people have offered their opinion on short term rentals. However, since the annual meeting, only one owner, Debra Rakes, PI-D-36 & 37, had submitted a written concern.

Amy Jackson stated that Debra Rakes was unable to attend the meeting this evening and asked her to comment on her behalf. Ms. Jackson remarked that Ms. Rakes believed that short-term rentals was an important issue and Ms. Jackson agreed with her. Ms. Jackson pointed out that Ms. Rakes had offered to take charge and do the majority of the work. She did not understand why the Board is indifferent on this issue. When Ms. Jackson informed her that the Board had discussed short-term rentals for many months, Ms. Rakes wanted to know why they did not take any action. Ms. Rakes had spoken with many Ranch owners who also felt strongly about the issue. She believed that if the situation was not addressed now, the problem would become greater.

Ms. Jackson told Ms. Rakes that the Board was concerned about budget issues, as well as their ability for enforcement. She had not heard from Ms. Rakes since that conversation. Ms. Jackson asked if the Board was still within the time frame for amending the CC&Rs. Mr. Foster explained that in addition to the timing issue, which he believed was 2010, amending the CC&Rs would require 100% agreement on a completely new set of covenants.

Ms. Jackson felt the Board had two options. The first would be to do nothing and the second would be to delegate Ms. Rakes *in* charge.

Mr. Hutchinson remarked that there was very little the Board could do about short-term

rentals. The Board had discussed the matter enough to realize that there is no way short term rentals could be enforced. He believed that short-term rental restriction was a disputable issue. They could discourage lot owners from renting short term, but they cannot force them to comply. Mr. Hutchinson stated that the problem was the use of the roads that are the responsibility of the Ranch.

Mr. Burdette pointed out that there were other problems that included trespassing, noise, and disrespect of the personal property of others. He was unsure if it was entirely correct to blame it all on short-term rentals. The Board could enforce noise, trespassing, littering and other problems under the Protective Covenants. Mr. Hutchinson agreed that the Board would be able to address those problems specifically. They could send letters to the owners who rent short-term and ask that they include those restrictions in their rental agreements.

Mr. Burdette suggested that the Board could make a DVD that clearly stated the rules of the Ranch. They could make it available to every owner who rented short-term to leave that DVD in the cabin so the renters could watch it to clearly understand the rules. Dan Heath stated that the Covenants allowed the Board to enforce certain things and to assess fines on a one to one basis. He was discouraged that the Board was lax in addressing the issues. Because they have been lax, property owners were hesitant to contact the Board members or their area reps because nothing ever happens when they complain. If someone had filed a report or a complaint about a nuisance, they have the ability to call the police. Mr. Heath pointed out that the Covenants specifically state that the owner is responsible for the occupants and what they do on the Ranch. The Board should go after the owner and not the renters. After several fines and complaints, the owner would take care of the situation. Mr. Heath thought the Board should enforce what they can and be very consistent in the procedure.

Ms. Jackson asked if the Board members were willing to do the enforcement. Mr. Deaver stated that he recently confronted the grandchildren of an owner who were there for a weekend. After he spoke with them, they settled down and were peaceful the rest of the weekend. He believed that most people do listen when confronted. He told the kids that if the unruly behavior continued, the Association would levy a monetary fine against the homeowner.

Mr. Foster stated that in the past cars were towed if they were parked on the road. Park City Towing will come up to the Ranch for an extra \$200.

To update the new Board members, Mr. Foster explained that the crux of the discussion related to Amendment One in the Rules and Regulations, which was written and adopted in 2006. The purpose of the discussion this evening was to decide whether the

Board still favored the 2006 rule and wanted to keep it in place with enforcement, or whether the rule should have been adopted at all or should it be rescinded. He believed that ignoring the rule was no longer an option.

Mike Gonzales believed that since the ruling was adopted it should be enforced. He wanted to know why the Board was hesitant to do so. Mr. Foster explained that the rule is not part of the CC&Rs and the CC&Rs do not restrict short term rentals. The rule was adopted in 2006 without the foundation of enforcement.

Mr. Heath pointed out that the language in the CC&Rs gives the Board the ability to do two things. They can enforce anything named in the CC&Rs, or they can amend the CC&Rs to include a specific issue. However, they cannot create something new, which is what they did in 2006. Mr. Foster remarked that the CC&Rs stated that the Environmental Control Committee, which included the Board, had the right and the obligation to create reasonable rules and regulations for the enforcement of the CC&Rs. In 2006 the Board passed a rule that was in the spirit of the CC&Rs, but it is not named in the CC&Rs.

Mr. Burdette stated that the CC&Rs address commercial activities on the Ranch. As an example, someone cannot raise animals on the Ranch for a commercial venture. Mr. Foster replied that the language addressed specific commercial ventures, but it does not prohibit commercial uses in general. He agreed with Ms. Rakes that for five years the Board had been ineffective in either enforcing the rule or determining that the rule was invalid.

Mr. Jackson stated that because she does not live on the Ranch and her property is in I-plat, she had not experienced the problems identified with renters. Mr. Hutchinson understood from Ms. Rakes' letter that the issues were with rentals, however, there is nothing the Board can do about it. He pointed out that when there were problems on the Ranch with the owners, the problem is usually corrected when the owner is confronted. Ms. Jackson did not believe that information had been presented to Ms. Rakes. Mr. Foster replied that Ms. Rakes had been informed and he had emailed discussions with Ms. Rakes that regarded rules and enforcement. He commented on the amount of time spent during the summer personally that addressed noise problems, and he was certain that the majority of those problems are caused by owners and not short-term renters.

Mike Gonzales was not convinced that the Board could do nothing and that their hands were tied by the CC&Rs. He believed their best investment was to set up guidelines for renters and to strongly recommend to the owners that the guidelines must be followed. In his opinion, they would never get 100% approval to amend the CC&Rs because the

owners who rent would never agree to it, since it would affect the use of their property. Mr. Gonzales suggested that they try goodwill with reasonable guidelines. He believed that approach would appease Debra Rakes' concerns. He also suggested that the Board could involve Ms. Rakes in drafting the guidelines.

Bruce Hutchinson proposed that the responsibility should primarily fall on the area representative. The Board could draft a letter that outlined the requirements of the Ranch for both homeowners and renters, and the area representative would be responsible for personally delivering the letter and talking to the property owner or renter who was causing the problem. The information should also be posted on the website and sent to owners who live out-of-state. Mr. Foster believed the proposed letter should be a "Readers Digest" version of the CC&Rs, plus bullet points from the Living and Recreating on the Ranch document already posted on the website. Mr. Hutchinson suggested that the letter be short and concise.

Mr. Heath liked Mr. Hutchinson's proposal because it would help with enforcement. Because the Board had been talking about this for five years with no result, the owners have the opinion that it is pointless to report a problem or make a complaint because nothing gets done. If the owners begin to see that the Board is taking enforcement steps, they will get involved and take part in solving the problem.

Ms. Jackson favored a previous suggestion to penalize/fine the owners for noise and other issues caused by their renters. The Board had the right and the ability to assess those fines because it violates the CC&Rs and the owner should be responsible. Mr. Foster clarified that the CC&Rs addressed noise, parking and other issues, but it does not address trespassing.

Mr. Gonzales suggested a report form that the property owners could use to report a problem when they see it occur. Mr. Foster stated that when he assessed fines last summer, it was based on a direct report from another Ranch owner.

Mr. Deaver understood that there was a discussion at the County level about the elimination of private short-term rentals. Mr. Foster corroborated that the County was in preliminary discussion for down zoning and the potential of short-term rental elimination on a couple of parcels. Commissioner Elliott had been an advocate for the Ranch in the past and he would like to let her know that if the County takes that direction, Pine Meadow Ranch may choose to be on the list to be down zoned. Mr. Foster suggested that the Board ask Debra Rakes to work with Summit County to pursue down zoning.

Mr. Heath stated that if Ms. Rakes is asked to work with the County, he wanted it to be

clear that she would represent the homeowners but not the Board. Mr. Foster replied that facts would be emphasized in his letter to Commissioner Elliott.

Ms. Jackson referred to Ms. Rakes' comments about the minutes and asked if it was possible to make the minutes available sooner. She felt that would also help in getting people more involved. Mr. Deaver stated that his neighbor does websites and he told him it could be a simple matter of updating the site every week or two. However, if things need to be redesigned, it could get very involved and could take hours and hours. Mr. Deaver suggested the possibility of a small stipend to have someone update the website on a regular basis. He believed that would take the burden off Mr. Foster and keep the website updated. Mr. Foster asked Mr. Deaver to have his neighbor contact him.

Mr. Burdette noted that the Board had not put much effort into finding property owners who would like to volunteer for things on the Ranch. He used Don Boyce, Lot PI-68A as an example of someone who helped with the road work every summer.

Mr. Foster requested that the Board re-focus the discussion to nightly rentals.

MOTION: Amy Jackson made a motion that she would speak with Debra Rakes and explain the Board's position. She would also suggest that Ms. Rakes work with the County on the issue of down zoning, and that the Board had given her approval to do so, and that she would act as an interested individual homeowner and not as a representative of the Board.

Mr. Deaver preferred to have Ms. Rakes present her ideas to the Board before she approached the County. Mr. Gonzales agreed that if the Board took action and gave Ms. Rakes approval to meet with the County, they were related to that action. The Board members concurred that Ms. Rakes' involvement should not be a motion. Mr. Foster thought it was reasonable to tell Ms. Rakes that a news piece on KPCW reported that Summit County had discussed down zoning in some areas to eliminate short term rentals.

MOTION: Dan Heath made a motion that as a statement, the Board is empowered to enforce the covenants. Short term rentals are not covered in the Covenants. Because of that, the Board's position is neither for nor against. However, the Board will enforce the guidelines given by the Covenant to keep the Ranch peaceful, the roads in good condition, and to do what they should with nuisances. The Board does not have the power to dictate how a person can use their own private property because it is not addressed in the Covenants.

Scot Erickson asked if the motion suggested that the amended rule from 2006 should be repealed. Mr. Heath answered yes. His motion was a statement to the amendment and a favorable vote would repeal the Board's position described in the Rules and Regulations, but not the Covenants.

Scot Erickson seconded the motion.

Ms. Jackson asked if there was any merit to leave the rule in place. Mr. Burdette felt the benefit is that someone who does not understand the law could abide by it. Mr. Heath remarked that ruling with false information reflects poorly on the Board. Mr. Erickson agreed.

Mr. Deaver requested that the Board table the motion until they obtain a written document from Ted Barnes that stated his legal opinion that the CC&Rs cannot be changed without a 100% approval, and that one person can stop the amendment.

At the request of Mr. Foster, the Board moved into closed session to discuss legal information that Mr. Barnes had advised in the past concerning the CC&Rs, the process of their adoption and the probability to change the CC&Rs.

The Board returned to the regular meeting.

Ms. Jackson reiterated her previous question about whether there was merit to leave the rule in place. Mr. Erickson did not believe there was merit. Having something written that cannot be enforced puts the Board in a bad situation and annoys the owners because they do not understand the full facts. Mr. Foster pointed out that keeping the rule in place still leaves the Board with a rule they cannot enforce and in the same position they have been for five years.

Mr. Erickson noted that since the rule was never announced when it was adopted in 2006, he believed they should remove the rule without announcement. He liked Mr. Burdette's idea about an information packet and enforce what they could and should under the CC&R's.

Mr. Deaver asked Mr. Heath to amend his motion to include the fact that the Board would begin procedures to enforce what they have the ability to enforce, such as noise, speed, etc. Mr. Foster remarked that the Board had an obligation to enforce the rules and he could not understand why they would include that in a motion. Mr. Heath clarified that the real issue is what they could do within the CC&Rs and not short-term rentals.

Mr. Erickson noted that the motion did not include the information packet. He thought voting on the information packet was important, but it should be a separate motion.

Ms. Jackson wanted to know how their action would be clarified and publicized. Mr. Hutchinson explained that the discussion and vote would be included in the minutes and those who read the minutes will understand the discussion. He believed that was sufficient notification and that the Board should not make it a bigger issue. Mr. Erickson pointed out that the short-term rental discussion was listed on the agenda and no one was interested enough to attend the meeting.

Mr. Burdette stated that in the near future the Board should talk about surveys on the Ranch, because many people have driveways and other things that are not actually on their property. Mr. Deaver noted that he went through those issues with his survey and he would be happy to share his experience and knowledge with the Board.

Mr. Foster asked Mr. Heath to restate his motion.

Mr. Heath clarified that his motion was to rescind the language from the Rules and Regulations that was adopted a number of years ago that prohibited short-term rentals, and to delete any mention of the language in the building guidelines. Scot Erickson seconded the motion.

Mr. Gonzales clarified that the motion was in reference to Section 5 of Miscellaneous Rules, Amendment One, Item 5.6, short-term rental cabins.

Mr. Foster called for a vote on the motion.

VOTE: The motion passed 10-0-1. Amy Jackson abstained from voting.

Mr. Foster stated that if the Board would no longer focus their efforts on stopping short-term rentals, they should inform people of their decision to better enforce the rules in the CC&Rs. He asked for a volunteer to create a simple guideline document. Dan Heath volunteered. Mr. Heath also intended to create a penalty schedule so people are aware of what penalties will be assessed to the owner of the property if complaints are received and documented.

Ms. Jackson suggested that the Board send an email to alert people that the Board had reaffirmed their responsibility to concentrate on enforcement of the CC&R's. Mr. Erickson thought it would be beneficial to have a mechanism where people who have issues with things on the Ranch report them in a constructive manner. Mr. Hutchinson recalled that his earlier suggestion was to have people contact their area representative.

Mr. Erickson clarified that the mechanism was more of a public forum on the website. He believed the best way to police the Ranch is to let everyone contribute and communicate. Mr. Gonzales suggested an online form on the website that could be filled out and published on the web page. He noted that a legal opinion should be obtained first to make sure there would not be slander and liable issues.

Mr. Foster offered an example of a form on the website that could be filled out by someone who witnessed a violation and sent to the appropriate area rep. Mr. Foster noted that in the past owners have asked him to provide a list of owners who were sent letters of non-compliance and fines. He had never done that and questions whether it is appropriate for the Board to publicize that information. Mr. Deaver thought they could publicize enforcement by incident, but he was uncomfortable publicizing specific personal details. Mr. Burdette suggested that during the annual meeting the Board could report the total dollars collected in fines. Mr. Gonzales felt it was important to publicize the violation and the action taken so people know that the Board had worked on enforcement and the complaint was not ignored.

Based on the discussion, Mr. Foster summarized that the Board favors a blog for suggestions and/or violations, posting the minutes more timely, and to pay a stipend for someone to regularly update the website. Dan Heath will work on a condensed list of rules. He would contact Summit County Commissioner Elliott and the down zoning.

New Business

Scot Erickson stated that he spoke with people at Trailside about the next series of meetings. Trailside had a budget change and they are now charging \$75 to rent the room for two hours. He had tentatively reserved the room at Trailside for the next meeting, pending a Board decision. He asked if the Board wanted to pay the charge or if he should look into another location. Mr. Burdette asked if it was possible to hold all the winter meetings in the valley and all the summer meetings on the Ranch. He noted that the new fire station near 20th East and 33rd South was designed with a meeting room. Mr. Hutchinson pointed out that the new Millcreek library was scheduled to be finished next year. Mr. Foster asked Mr. Erickson to keep the Trailside location for the February meeting and he should check with the Water Company about their office space. Mr. Foster was not opposed to six meetings on the Ranch, as long as everyone was aware that the roads are good for three months and the other three are muddy roads and winter conditions. A suggestion was made to meet on the Ranch from May to October and in the valley November to April. The Board concurred.

Monthly Budget Review

Mr. Burdette reviewed the unpaid bills in the amount of \$7,791. He noted that mileage reimbursements would be added to that total for those who submitted forms.

MOTION: Bob Burdette made a motion to pay all the bills and mileage reimbursements as outlined. Bruce Hutchinson seconded the motion.

Mr. Burdette clarified that it was not the total amount of expenses incurred. As Jody reported, he purchased \$6,000 in parts to repair the grader. In addition, the Board committed to spend between \$1500 to \$3,000 for pushing snow with the dozer. The additional expenses to be paid totaled approximately \$9,000.

Mr. Burdette noted that the Ranch still had an agreement with Sam Scaling for plowing the connector between Forest Meadow and Pine Meadow and they have not yet received his bill. He recalled that the Board was criticized last year for not paying Mr. Scaling on time, but he cannot be paid without an invoice. Mr. Erickson stated that he spoke with Mr. Scaling and told him that the Board was meeting today. Mr. Scaling had prepared his bill and Mr. Erickson assumed Mr. Burdette had received it through email. Mr. Burdette stated that Mr. Scaling should send his bill to Carol. Mr. Erickson could also obtain the bill from Mr. Scaling and bring it to the Board meeting for verification and payment.

VOTE: The motion passed unanimously.

The meeting of the Pine Meadow Ranch Owners Association adjourned at 8:38 p.m.
